



**LEGISLATIVE REPORT**

# **MERGER SUPPORT PROGRESS REPORT**

**Act 73 of 2025**

**December 23, 2025**

**Issued by the Vermont Agency of Education**

## Table of Contents

Purpose	3
Overview	3
Background	3
Stakeholder Engagement	4
Key Themes from the Planning Session	5
Guidance Delivery Preferences	7
Change Management Plan	7
Next Steps	10
Appendix A	12

## Purpose

Pursuant to [Section 9\(c\)\(3\) of Act 73](#), the Agency of Education must submit a progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts, including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

## Overview

This report provides background on the recommended operational steps associated with the district merger process. It describes how those recommendations were refined in response to input from the field during the 2025 legislative process and identifies areas that were not codified in statute and may warrant further consideration to provide clearer guidance. The report also summarizes stakeholder feedback and data reviewed as part of the Agency of Education's environmental scan and strategic plan development process, with particular emphasis on the strategic plan's focus on improving operational effectiveness of the statewide education system. Finally, the report concludes with an overview of the change management approach the Agency is leading to support the field through the transition to larger districts, which intentionally integrates support across academics, operations and finance, and board development. The development of guidance documents is contingent upon specific decisions made by the Legislature. Accordingly, this report focuses on reinforcing the key considerations and stakeholder feedback gathered from the field, particularly regarding the urgency of certain policy decisions and the role of the Agency in supporting the transition.

## Background

Over the past eighteen months, the Agency of Education has established a consistent and repeated cycle of using data to describe the current state of education, including its opportunities and challenges; proactively recommending solutions that are based in evidence-based practices; engaging with education leaders and other key stakeholders to validate and refine the Agency's approach; and developing clear plans for implementation, including opportunities to measure outcomes against clearly identified goals. This process has held true for the work of developing the policy proposal, timelines and implementation plan for education transformation and this report provides

an important opportunity to reflect on where the state stands in this multi-year process and what next steps will be required in the future.

H.454, as introduced included [language](#) developed by the Agency of Education to manage the governance-level transition from existing district configurations to the future redistricted system. The language included provisions for the transfer of obligations and assets from the forming districts to the newly created districts including formation of the transition school board, appointment of the first superintendent, year one budget development, collective bargaining procedures and treatment of forming districts' existing contractual obligations. This language was not included in the amendments that eventually became Act 73.

### Stakeholder Engagement

In winter and spring of 2025, the Agency convened several Policy Sprint Teams including a Transition Timeline team that was tasked with raising considerations for any changes in existing district configurations and the necessary resources and time to effectuate that change, while minimizing impacts to student learning. This work resulted in practical and specific tasks that districts and the state would need to engage in to integrate districts and realign the system to improve education quality within a new foundation formula. The results of this sprint team are included in [Appendix A](#) and informed refinements to the timeline proposed by the Scott Administration and the eventual timelines for transformation outlined in Act 73.

In addition to informing changes to Act 73, stakeholder feedback from the Policy Sprint Team directly shaped the Agency's [education transformation budget request](#) to ensure sufficient state-level capacity to support districts in the areas of greatest need. The budget request approved by the Legislature included five additional positions and contracted support to strengthen reporting and data visibility, provide targeted, on-the-ground assistance to districts navigating the most complex system alignment challenges, and expand board development and governance training.

Following the passage of Act 73, the Agency reengaged the work of the Policy Sprint Team at the Agency of Education's annual [Strategic Planning Retreat](#) on November 4, 2025. The Agency led a breakout session focused on business operations considerations that will be required for newly configured districts resulting from the redistricting process. Over 40 education leaders participated, including superintendents, school board members, business officials, students, and legislators. The discussion was energetic, informed, and reflective of deep collective expertise.

The Agency sought participant feedback to:

- Identify the types of guidance districts will need,
- Determine the preferred formats for such guidance,
- Understand timing requirements to ensure guidance is meaningful and actionable, and
- Identify existing resources and expertise in the field.

Participants were divided into four groups and asked to respond to these questions across five themes:

1. Asset & Liability Transfer
2. Collective Bargaining Agreements
3. Business Processes
4. Statewide Systems
5. Other Guidance Needs

### Key Themes from the Planning Session

Participants discussed practical strategies for creating equitable, efficient, and sustainable systems to support district operations. Three shared themes emerged from all of the groups in the breakout sessions:

1. **Dependence on Redistricting Boundaries:** All groups emphasized that substantial progress is impossible until redistricting lines are finalized.
2. **Concerns About the Current Implementation Timeline:** Participants across roles reported concerns with the current timeline (FY29), particularly in light of delays on redistricting. It is critical that new district lines are identified as soon as possible so that state and local resources can begin the work of preparing the new system with minimum disruption to learning and teaching.
3. **Dual Demands of Operating Current System while Preparing for New System:** District mergers will require a dual focus on closing out dissolving districts while preparing the conditions for new districts. It will be important to identify the funding and staffing resources that will be necessary to successfully integrate districts. The Agency is prepared to offer additional modeling around how to structure regional transition support teams.

In addition to these shared themes, groups identified other key considerations and concerns, including:

4. **Retention of High-Quality Staff**  
Attendees expressed worry about retaining qualified staff whose roles may change or be eliminated under new district configurations. Guidance

documents that clarify staffing demands and major job responsibilities in the new structure will be important.

**5. Collective Bargaining Challenges**

Discussion frequently centered on upcoming collective bargaining obligations. Many supported exploring statewide salary systems to promote equity and reduce the complexity and cost of negotiations. The Agency has researched statewide salary schedules and is prepared to bring forward recommendations to the legislature based on models used in other states, adjusted to the Vermont context<sup>1</sup>. Given the wide disparities in teacher pay that the Agency [has documented](#), movement towards a statewide educator contract or salary schedule may be necessary to ensure that every student has access to a high quality teacher and to support district integration of widely variable contracts.

**6. Supervisory Union Concerns**

Participants with SU experience voiced hope that Supervisory Unions will not be used in new governance structures, citing:

- a. Operational redundancy;
- b. Added cost;
- c. Complications of maintaining separate accounting for multiple legal entities; and
- d. Supervisory Unions are not able to own property

**7. Requests for Legal Guidance**

Participants asked for clear legal support on issues such as:

- a. Handling contracts with terms extending past July 1, 2028,
- b. Transfer of equipment and supplies purchased with federal funds,
- c. Management of scholarships, endowments, and other restricted funds,
- d. Addressing ongoing lawsuits involving dissolving districts,
- e. Protecting long-held town assets,
- f. Drafting articles of agreement, and
- g. Managing existing construction bonds.

**8. Support Needed from the Agency:**

District representatives requested AOE assistance in:

- a. Educating communities on redistricting goals and the foundation formula,
- b. Clarifying roles and responsibilities of the Legislature, State Board, AOE, School Boards, and central offices, and
- c. Developing a step-by-step redistricting timeline, including formation tasks for new entities.

**9. Statewide Financial (EHR) System**

The Agency convened a separate breakout session regarding implementation of statewide student information and financial systems. The themes and considerations raised in that session, along with after action analysis conduction by the Agency following the end of the SSDDMS project are

<sup>1</sup> [Education Commission of the States: State Teacher Salary Schedules](#)

summarized in the [Statewide Systems and School Construction Report](#), submitted on December 1, 2025.

#### 10. Existing Field Expertise

The Agency identified numerous central office staff who bring valuable experience from Act 46 implementation and may serve as resources.

### Guidance Delivery Preferences

Participants asked that guidance be provided as soon as possible and recommended written resources, including templates, timeline guides and checklists and model policies and draft agreements, accompanied by virtual and in-person training opportunities when appropriate. The Agency's recent reorganization, request for district support positions and move towards the establishment of regional offices will increase state-level capacity to provide this level of intensive and sustained support during the transition period and beyond.

### Change Management Plan

During the 2025 legislative session, the Administration requested an appropriation to establish five positions to support education transformation and district quality in recognition of the significant operational, academic, and governance changes required by Act 73. While the Act funded five limited-service classified positions for FY2026, feedback from the field has been consistent in identifying the need for sustained, targeted state-level capacity to support districts through the transition to larger districts and new governance, funding, and quality requirements. The scope and complexity of this work make clear that a comprehensive and systemic change management approach is essential to ensure continuity, equity, and fidelity of implementation statewide.

It is important to note that the development of guidance documents and the provision of technical support is contingent upon specific, outstanding decisions yet to be made by the Legislature. In addition, the change management plan outlined below relies upon clarity of roles and responsibilities at every level of the education system to ensure that student learning is centered in all decision-making during a period of change.

This change management plan is intentionally designed to be systemic, recognizing the interdependence of operations, academics, and board governance and the need to address these areas in a coordinated and aligned manner. Changes in governance and funding structures directly affect instructional delivery, staffing, budgeting, and long-term sustainability. Accordingly, the Agency's approach is structured to address these connections holistically rather than through isolated interventions.

As part of this work, the Agency has undertaken a comprehensive reorganization to align its internal structure with statewide education priorities and the demands of

education transformation. The reorganization established expanded and more clearly defined areas within the Agency focused on operations, academics, and accountability, enabling the Agency to provide more targeted support to districts, evaluate implementation and impact, and maximize the use of staff expertise and resources during the transition. This structure strengthens coordination across teams, reduces fragmentation, and ensures that state-level support is responsive to district needs while remaining aligned with statewide goals.

As of December 7, the Agency is actively recruiting for the five positions that will comprise the District and School Quality Support Team. This team is designed to provide coordinated, on-the-ground support to districts during the transition period and to ensure that system changes are implemented consistently and equitably across the state. The team's work will be closely integrated with other Agency divisions that provide subject-matter expertise and will be supplemented by contracted services focused on time-bound, system-building efforts necessary to align operations, academics, governance, and facilities under the future state.

A central component of the change management strategy focuses on operations and finance, recognizing that financial stability and operational continuity are prerequisites for successful district consolidation. The Agency plans to support districts in aligning disparate accounting, human resources, and back-office systems; modeling the financial impacts of consolidation and the transition to a foundation formula; and developing budgets that reflect new governance and funding structures. Targeted and accelerated support will be provided to districts facing immediate financial or operational viability concerns to ensure continuity of educational services. This work will be supported by the Business Operations Support Specialist and Data Integration Support Specialist, in coordination with contracted partners, and will include the development of budgeting tools, dashboards, and early warning systems to identify districts requiring additional support during the transition.

The change management approach also prioritizes governance and board development to ensure effective leadership during and after the merger process. Existing boards will receive support and training related to their redefined roles during the transition period, including close-out responsibilities and continued oversight of educational quality. At the same time, newly formed boards will be provided with training aligned to District Quality Standards and tailored to the unique strengths and challenges of merged districts. This work is intended to equip boards with the tools, data, and strategic oversight capacity necessary to establish policies that meet state and federal requirements while advancing equity, quality, and long-term sustainability.

Maintaining high-quality teaching and learning throughout the transition is a core objective of the Agency's change management strategy. The Agency plans to provide direct support to districts to integrate and align curriculum, instructional materials, grading practices, local assessments, graduation requirements, and educator evaluation systems to minimize disruption to students and educators. Professional development



and technical assistance will focus on evidence-based instructional practices, continuous improvement planning, and the strengthening of multi-tiered systems of support, with particular attention to improving special education service delivery. This work will be led by the Curriculum and Education Quality Standards Integration Specialist and the Learning and Teaching Integration Specialist, supported by contracted services. In parallel, the Agency will strengthen its accountability framework to monitor implementation, assess impact, and support continuous improvement during this period of change.

Finally, the Agency's change management strategy includes targeted support for facilities planning to ensure that districts can make informed, strategic decisions about their school portfolios under new district configurations. The School Facilities Field Support Specialist will work with inter-district teams to evaluate facilities using condition data, enrollment trends, transportation patterns, and local considerations, and will support districts in developing coherent, long-term facilities plans aligned with educational quality goals and state construction aid requirements.

Recognizing that education transformation is iterative, the Agency will continue to evaluate state-level capacity as outstanding policy and implementation decisions are resolved and as feedback is collected from the field during Phase I implementation of the change management strategies described above. In addition, the Agency will engage in ongoing evaluation of implementation impact and future capacity needs to ensure that supports remain appropriately scaled, resources are deployed effectively, and state-level investments continue to deliver a high level of impact as the transformation advances.

Together, these coordinated efforts reflect a comprehensive, phased, and systemic change management plan designed to reduce disruption, mitigate risk, and build capacity across the education system. By aligning operations, academics, governance, and accountability—and by organizing the Agency itself to support this work—the Agency seeks to ensure that education transformation strengthens district capacity, advances equity, and delivers improved outcomes for students statewide.

Through the transition, it is the Agency's goal to ensure that quality of education continues to improve so that the state avoids the risk of losing sight of the most important part of our education system – student learning – while we work to transform that system. The Agency will remain focused on quality through our strategic plan framework with the pillars of elevating academic excellence, expanding college and career readiness, promoting safe and healthy schools and enhancing special education and differentiated supports for all students.

## Next Steps

As an immediate next step, the Agency of Education will move forward with the recruitment and hiring of five Transition Support Specialists to strengthen state-level capacity during the initial phase of implementation. Among these positions, a District Operations Transition Support Specialist will play a central coordination role, organizing Agency support related to school district business operations and leading the development of technical guidance requested by stakeholders during the breakout sessions.

In parallel, the Agency will undertake a review of existing guidance materials developed during the implementation of [Act 46](#). Relevant documents will be updated, refined, and repurposed to reflect the requirements, timelines, and policy context of Act 73. This approach is intended to leverage prior work, reduce duplication, and provide districts with practical, familiar tools adapted to the current reform effort.

To further support implementation, the Agency will contract with specialists on a limited, time-bound basis to provide targeted expertise that complements internal capacity. This specialized support will focus on enhancing data and dashboarding capabilities to improve transparency and monitoring, as well as developing change management tools and resources that support Agency staff in delivering consistent, high-quality implementation assistance to the field. All contracted work will be closely integrated with Agency teams and grounded in a demonstrated understanding of Vermont's education system, governance structures, and local context.

The Agency will also continue structured engagement with the field through the reactivation of the governance policy sprint team. This team will provide ongoing feedback on priority areas for guidance development, the sequencing and timing of materials, and emerging implementation questions, ensuring that guidance is responsive to district needs and aligned with legislative intent.

In addition, the Agency is finalizing the last phase of its internal reorganization, which will result in the establishment of a new Strategy and Accountability Division. This phase includes the hiring of a new Chief to serve on the Secretary's Executive Cabinet, alongside the realignment and repurposing of senior leadership roles to strengthen the Agency's focus on strategy development, accountability, district and school support, research and evaluation, and change management. The Strategy and Accountability Division will provide a coherent direction for continuous improvement in close coordination with the Agency's Operations and Academics divisions. Overall, this reorganization continues to strengthen the Agency's leadership on statewide priorities, enabling the Agency to be more agile, responsive, and innovative.

Sustained Agency leadership will be critical to support the transition, underscoring the importance of converting the limited-service positions into permanent roles, thereby establishing a dedicated District and School Quality Support Team to deliver on-the-ground continuous improvement support. It is important to note that the development of clear, unambiguous, and highly specific guidance will depend on legislative decisions related to the formation of new districts, collective bargaining, debt management, and other policy areas identified by the field as high priority. As these decisions are resolved, the Agency will incorporate them into guidance materials to provide districts with the clarity and specificity necessary for effective implementation.

---

## Appendix A

In January 2025, the Agency launched eight “Policy Sprint Teams” to engage directly with district and school leaders to review pending and upcoming policy in furtherance of the AOE’s commitment to providing recommendations based on data, information, and input from the education field. To support informed policy development and ensure participation by stakeholders, the Policy Sprint Teams were developed to review proposals relative to data needs, financial impacts, timeline for implementation, and statutory/other regulatory impacts or needed changes. One of the teams convened looked specifically at timeline considerations, the following information is reflective of the work of that group.

### **Sprint Team Membership:**

- Tim Payne, VPA
- Oliver Olsen, VISA
- Libby Bonesteel, VSA
- Justin Silverstein, APA (AOE Partner)
- Amanda Brown, APA (AOE Partner)
- Chuck Patterson, VTCLA
- Morgan Daybell, VASBO
- Jill Briggs Campbell, AOE
- Emily Simmons, AOE
- Taylor Goodwin, AOE
- Courtney O’Brien, AOE
- Jack McCarthy, VSBA
- Michelle Theberge, VCSEA
- Cassidy Canzani, AOE
- Lori Dolezal, AOE

This group convened six times during the Winter and Spring of 2025. The main themes from these conversations are outlined below:

1. Timeline feels too fast – regardless of the number of districts, any consolidation effort of school districts would need more time than included in the proposal (1 year additional at minimum)
2. Distinction between rolling up a district into another vs. creating a brand new district
3. The sequencing of events to implement new districts is crucial to execute correctly, otherwise timelines will be delayed.
4. We need: people to do the work, money to pay people, and to ensure that there is a reasonable workload for educators during the transition period

5. School Choice School selection: there should be a process in place for some SCSs to be ready to go (pre-approval or preliminary approval needed to alleviate issues with public funding)
6. Reasonable volume of administrative and logistical work is necessary at any level of re-scaling
7. We need to account for the following during a potential transition: payroll, accounting, data, communications, technology, contracts, service providers, etc.
8. State-level support is needed to do this quickly and well.
9. Need to review the following in potential transition: where other changes need to happen in statute, legal counsel available, exiting or setting up new contracts for staff and service providers, etc. (Most districts might not have that support of their own to do this quickly.)
10. To achieve this work and do it well, additional work from statewide and local partners will be needed.
11. Staff programming adjustments, define responsibilities clearly in sequencing (state vs. board vs. school districts tasks) is crucial to consider.
12. Need to understand how non-classroom duties (lunch/bus duty, etc.) might be impacted by change in class sizes.

**Notes from the meetings:**

- [January 30, 2025](#)
- [Timeline Introductory Slide Deck \(January 30, 2025\)](#)
- [February 6, 2025](#)
- [February 13, 2025](#)
- [February 20, 2025](#)
- [February 27, 2025](#)
- [March 13, 2025](#)